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DA 22-299

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DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF DOBSON TECHNOLOGIES, INC. D/B/A DOBSON FIBER AND ITS SUBSIDIARIES TO MESA TELECOMS INVESTMENTS, LLC

NON-STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 22-110

Comments Due: April 4, 2022

Reply Comment Due: April 11, 2022

By this Public Notice, the Wireline Competition Bureau seeks comment from interested parties on an application¹ filed by Dobson CC Limited Partnership (DLP) and Mesa Telecoms Investments, LLC (Mesa Telecoms or Transferee) (together, Applicants), pursuant to section 214 of the Communications Act of 1934, as amended, and sections 63.03-04 of the Commission's rules, requesting consent for the indirect transfer of control of Dobson Technologies, Inc. d/b/a Dobson Fiber (Dobson Fiber) and its wholly-owned subsidiaries, Dobson Telephone Company, Inc., (DTC), Dobson Technologies – Transport and Telecom Solutions, LLC (DTTTS), Lavaca Telephone Company, Inc. (Lavaca), Pinnacle Telecom L.L.C. (Pinnacle), and Vantage Telecom, LLC (Vantage) (DTC, DTTTS, Lavaca, Pinnacle, and Vantage, collectively, the Licensees) from DLP to Mesa Telecoms.²

Dobson Fiber, an Oklahoma corporation and holding company, provides, through the Licensees, both incumbent local exchange services (LEC) and competitive LEC services in Oklahoma, Arkansas, and Texas.³ DTC, an Oklahoma corporation, provides incumbent LEC services to approximately 5,200 access lines in western and eastern Oklahoma.⁴ DTTTS, an Oklahoma limited liability company,

¹ See Joint Application of Dobson CC Limited Partnership and Mesa Telecoms Investments, LLC for Grant of Authority Pursuant to Section 214 of the Communications Act of 1934, as amended, and Section 63.03 and 63.24 of the Commission's Rules to Transfer Indirect Control of Domestic and International Section 214 Holders to Mesa Telecoms Investments, LLC, WC Docket No 22-110 (filed Mar. 4, 2022), https://ecfsapi.fcc.gov/file/10304084120074/Dobson%20FCC%20214%20Transfer%20Application.pdf (Application).

² See 47 U.S.C. § 214; 47 CFR §§ 63.03-04. Applicants also filed an application for the transfer of an authorization associated with international service, ITC-T/C-20220304-00035, and will file applications for the transfer of authorizations associated with wireless services. On March 15, 2022, Applicants filed a supplement to their domestic section 214 application. Letter from Patrick S. Campbell, Counsel for Mesa Telecoms Investments, LLC, and Joshua M. Bobeck, Counsel for Dobson Technologies, Inc., to Marlene Dortch, Secretary, FCC (Mar. 15, 2022) (on file in WC Docket No. 22-110) (Supplement). Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications.

³ Application at 4.

⁴ *Id.* at 4-5. DTC provides service as an incumbent LEC in portions of the following Oklahoma counties: Roger Mills, Dewey, Custer, Beckham, Oklahoma, Lincoln, Pottawatomie and Cleveland. *Id.* at 10-11.

provides competitive LEC services in Oklahoma.⁵ Lavaca, an Arkansas corporation, provides incumbent LEC services to about 1,800 access lines in rural western Arkansas and rural eastern Oklahoma.⁶ Pinnacle, an Arkansas limited liability company, is authorized to provide competitive telecommunications services throughout the State of Arkansas.⁷ Vantage, an Arkansas limited liability company, provides competitive LEC services in the states of Arkansas and Oklahoma.⁸ DLP, an Oklahoma limited partnership, is currently the controlling shareholder (holding 77.12%) of Dobson Fiber.⁹ Applicants state that, following the consummation of this transaction, DLP plans to continue to participate in the ownership of Dobson Fiber through an indirect minority interest in Mesa Telecoms.¹⁰

Mesa Telecoms, a newly formed Delaware limited liability company that does not provide telecommunications services, is an indirect subsidiary of Mesa Telecoms Holdings, L.P. (Mesa L.P.), a Delaware limited partnership. ¹¹ Following the consummation of the proposed transaction, Mesa L.P. will be majority held (57.35%) by iCON Mesa Telecoms Holdings L.P. (iCON Mesa), a Delaware limited partnership. ¹² iCON Mesa, in turn, is an indirect subsidiary of iCON Infrastructure Partners V, L.P. (iCON Partners V) (without co-invest, holding 60% of iCON Mesa), a United Kingdom entity, and iCON Infrastructure Investments V-B, L.P. Inc. (iCON Investments V-B) (without co-invest, holding 40% of iCON Mesa), a Guernsey entity. ¹³ iCon Infrastructure Partners V-B, L.P., Inc. (iCON Partners V-B), a

⁵ *Id.* at 5; *see also id.* at 11-12. Applicants state that DTTTS also provides competitive LEC services to less than a thousand customers primarily around the state of Oklahoma and northern Texas. Application at 10; Supplement at 2.

⁶ Application at 5; *see also id.* at 12. Lavaca serves the Lavaca exchange in rural western Arkansas and the Panama/Shady Point exchange in rural eastern Oklahoma. *Id.*

⁷ *Id*

⁸ *Id.* at 5; *see also id.* at 12-13.

⁹ *Id.* at 2 and 6-7. The general partner of DLP is RLD, Inc., an Oklahoma corporation, which, in turn, is whollyowned and controlled by Everett Dobson, a U.S. citizen. *Id.* at 6-7 and 19-20. The other current direct shareholder of Dobson Fiber is Eight Bar Financial Partners I, LP, (Eight Bar), an entity of the Cayman Islands, that holds a 22.88% equity interest. *Id.* at n. 16.

¹⁰ *Id.* at 2. Post consummation, Everett Dobson will indirectly hold a 20.2% interest in Mesa Telecoms and Stephen Dobson, also a U.S. citizen, will hold 15.44% of Mesa Telecoms. *Id.* at 20.

¹¹ Application at 18 and Exh. B (Post-Transaction Structure).

¹² *Id.* at 19.

¹³ Id. at 20-21. Applicants state that "either pre- or post-closing, the iCON V Fund will accept co-investments from certain investors that have already invested in the iCON V Fund but wish to invest additional capital through separate fund vehicles also managed by iCON Infrastructure Management V Limited." Id. at 23. They state that two co-investment entities, Managed Co-Investment Vehicle V L.P. (Co-Investment Vehicle V) and Managed Co-Investment Vehicle V-B, L.P. (Co-Investment Vehicle V-B), Inc., both United Kingdom entities, post-transaction, may hold direct interests in Mesa Telecoms, therefore diluting the interests held by the iCON V Fund. Id. at 21, 23, and Exh. B (Post-Transaction Structure). Applicants state that once all of the co-investments have been made, it is currently anticipated that: (i) Co-Investment Vehicle V will have a limited partnership interest of approximately 24.45% in iCON Mesa, thus, diluting the interest of iCON Partners V from 60% to approximately 35.55%, and (ii) Co-Investment Vehicle V-B will have a limited partnership interest of approximately 16.3% in iCON Mesa, thus, diluting the interest of iCON Investments V-B from 40% to approximately 23.7%. Id. at 23. Applicants further state that they have included "the required information for all of the anticipated 10% or greater direct and indirect interest holders of the Transferee as of the closing, based on the Commission's ownership rules. However, the precise allocation of investors' equity commitments between Co-Investment Vehicle V and Co-Investment Vehicle V-B have not been finalized. If the distribution of investors' capital between iCON Partners V, iCON Partners V-B, Co-Investment Vehicle V and Co-Investment Vehicle V-B causes an entity or individual not already disclosed in this Application to obtain a 10% or greater indirect interest in Transferee prior to the grant of the Application, Applicants will promptly supplement this Application." *Id.* at 23-24.

Guernsey entity, holds a 100% interest in iCon Investments V-B.¹⁴ Applicants state that iCON Partners V and iCON Investments V-B, together, are the iCON V Fund.¹⁵ Applicants further state that all investment decision-making of the iCON V Fund is controlled by its managing general partner, iCON Infrastructure Management V Limited, (iCON V GP), a Guernsey limited company, which, in turn, is a wholly-owned subsidiary of iCON Infrastructure LLP (iCON Parent), a United Kingdom entity.¹⁶ iCON Parent's funds currently control TruVista Communications, Inc. (TruVista) and its subsidiaries.¹⁷

Pursuant to the terms of the proposed transaction, Mesa Telecoms will acquire, from DLP and Eight Bar, all of the ownership interests in Dobson Fiber and, indirectly, the Licensees. Applicants state that, post-consummation: a) the iCON V Fund and its passive limited partner investors will indirectly, through intermediate partnerships, hold 57.35% of the ownership interest in Mesa Telecoms; and b) DLP will hold 40% of the ownership interests in Mesa Telecoms. 19

Applicants assert that a grant of the application would serve the public interest, convenience, and necessity. Applicants state that Dobson Fiber expects to continue providing service under the same authorizations, terms, and conditions that currently exist and that "Mesa Telecoms anticipates that the iCON V Fund will make material capital investments in Dobson Fiber to advance the deployment of fiber infrastructure, which will allow Dobson Fiber to continue to bring improved and innovative service offerings, including fiber to the home broadband Internet access, to even more customers."

Because the proposed transaction is more complex than those accepted for streamlined treatment, and in order to analyze whether the proposed transaction would serve the public interest, we accept the Application for non-streamlined processing.²²

<u>Referral to Executive Branch Agencies</u>. Through this Public Notice, pursuant to Commission practice, the Application and the associated international application, ITC-T/C-20220304-00035, are

¹⁴ *Id*. at 21.

¹⁵ *Id.* at 3, 20-21, and Exh. B (Post-Transaction Structure).

¹⁶ Id. at 3. iCon Parent is owned by the following citizens of the United Kingdom: Daniel Michael Agostino (10.78% equity and 7.19% voting and a dual-citizen of the United Kingdom and Australia); Paul Richard Malan (38.72% equity and 59.15% voting); Iain Ross Macleod (19.40% equity and 12.93% voting). Id. at 24-25. A fund of iCon Parent, iCON IV Fund, currently has a pending section 214 application to acquire Plant Telephone Company, a rural incumbent LEC serving approximately 5,490 subscriber access lines in south central Georgia. See Domestic Section 214 Application Filed for the Transfer of Control of Plant Telephone Company to Worth Telecoms Holdings, LLC, WC Docket 21-432, Public Notice, DA 21-1443 (WCB Nov. 17, 2021) (Worth Transaction).

¹⁷ Id. at 4; Supplement at 1; see also Domestic Section 214 Application Granted for the Transfer of Control of the Chester Telephone Company D/B/A TruVista Communications to York Telecoms Holdings US L.P., WC Docket No. 19-139, Public Notice, 34 FCC Rcd 7906 (WCB 2019). TruVista and its subsidiaries provide incumbent and competitive LEC services in multiple states. Supplement at 2-3, Appendix A. Applicants state that there is no overlap between Dobson Fiber's service areas and those associated with either the Worth Transaction or TruVista. Application at n. 9.

¹⁸ Application at 7.

¹⁹ The remaining less than 5% interests in the partnerships owning Mesa Telecoms will be held by certain members of Dobson Fiber management. *Id.* at n. 11.

²⁰ *Id.* at 7-9.

²¹ *Id.* at 8-9.

²² 47 CFR § 63.03(c)(1)(v).

being referred to the relevant Executive Branch agencies for their views on any national security, law enforcement, foreign policy, or trade policy concerns related to the foreign ownership of the Applicants.²³

Domestic Section 214 Application Filed for the Transfer of Control of Dobson Technologies, Inc. d/b/a Dobson Fiber and its Subsidiaries to Mesa Telecoms Investments, LLC, WC Docket No. 22-110 (filed Mar. 4, 2022).

GENERAL INFORMATION

The application identified herein has been found, upon initial review, to be acceptable for filing. The Commission reserves the right to return any application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies.

Interested parties may file comments on or before April 4, 2022, and reply comments on or before April 11, 2022. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by paper.

- Electronic Filers: Comments may be filed electronically by accessing ECFS at http://apps.fcc.gov/ecfs/.
- Paper Filers: Parties who choose to file by paper must file an original and one copy of each
 filing. If more than one docket or rulemaking number appears in the caption of this proceeding,
 filers must submit two additional copies for each additional docket or rulemaking number.
 - Filings can be sent by commercial overnight courier or by first-class or overnight U.S. Postal Service mail.²⁴ All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.
 - Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9050 Junction Drive, Annapolis Junction, MD 20701. U.S. Postal Service first-class, Express, and Priority mail must be addressed to 45 L Street, NE, Washington, DC 20554.

People with Disabilities: We ask that requests for accommodations be made as soon as possible in order to allow the agency to satisfy such requests whenever possible. Send an email to fcc504@fcc.gov or call the Consumer and Governmental Affairs Bureau at (202) 418-0530.

In addition, e-mail one copy of each pleading to each of the following:

- 1) Gregory Kwan, Competition Policy Division, Wireline Competition Bureau, gregory.kwan@fcc.gov;
- 2) Sumita Mukhoty, Telecommunications and Analysis Division, International Bureau, sumita.mukhoty@fcc.gov; and
- 3) Jim Bird, Office of General Counsel, jim.bird@fcc.gov

2

²³ 47 CFR § 1.40001. See Process Reform for Executive Branch Review of Certain FCC Applications and Petitions Involving Foreign Ownership, IB Docket 16-155, Report and Order, 35 FCC Rcd 10927 (2020), Erratum (Appendix B — Final Rules), DA 20-1404 (OMD/IB rel. Nov. 27, 2020). See also Rules and Policies on Foreign Participation in the U.S. Telecommunications Market; Market Entry and Regulation of Foreign-Affiliated Entities, IB Docket Nos. 97-142 and 95-22, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891, 23918-19, paras. 61-63 (1997) (Foreign Participation Order), recon. denied, 15 FCC Rcd 18158 (2000).

²⁴ Effective March 19, 2020, and until further notice, the Commission no longer accepts any hand or messenger delivered filings. This is a temporary measure taken to help protect the health and safety of individuals, and to mitigate the transmission of COVID-19. *See FCC Announces Closure of FCC Headquarters Open Window and Change in Hand-Delivery Policy*, Public Notice, 35 FCC Rcd 2788 (OS 2020).

The proceeding in this Notice shall be treated as a "permit-but-disclose" proceeding in accordance with the Commission's *ex parte* rules. Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter's written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with rule 1.1206(b), 47 CFR § 1.1206(b). Participants in this proceeding should familiarize themselves with the Commission's *ex parte* rules.

To allow the Commission to consider fully all substantive issues regarding the application in as timely and efficient a manner as possible, petitioners and commenters should raise all issues in their initial filings. New issues may not be raised in responses or replies.²⁵ A party or interested person seeking to raise a new issue after the pleading cycle has closed must show good cause why it was not possible for it to have raised the issue previously. Submissions after the pleading cycle has closed that seek to raise new issues based on new facts or newly discovered facts should be filed within 15 days after such facts are discovered. Absent such a showing of good cause, any issues not timely raised may be disregarded by the Commission.

For further information, please contact Gregory Kwan at (202) 418-1191.

-FCC-

5

²⁵ See 47 CFR § 1.45(c).